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# **E-Net Monthly Meeting**

## **October 11, 2005**

**Matt Crowley**

Director

Technology Development Fund

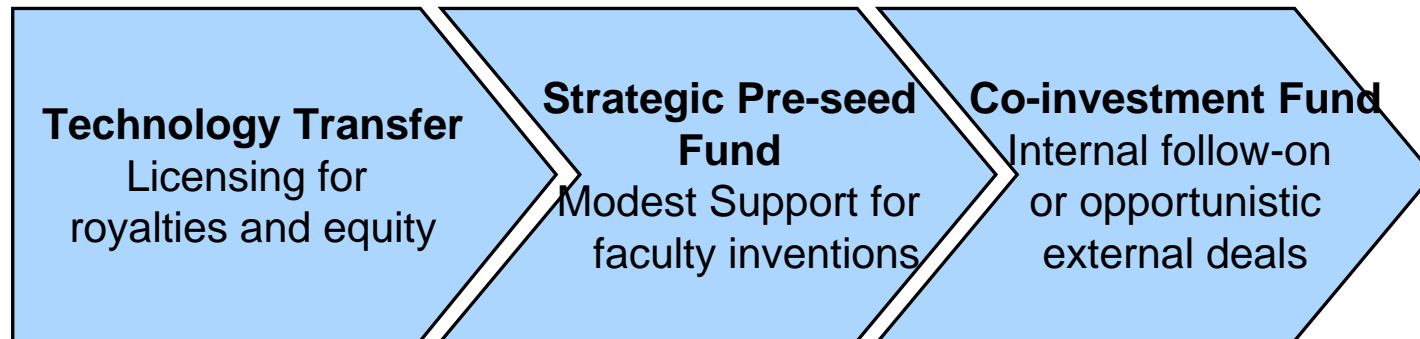
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# OTD Continuum of Activity



- ❑ **Generate attractive financial return**
- ❑ **Maximize value and development of BU's intellectual capital**
- ❑ **Promote strong interactions with the business and finance communities for BU**

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# Technology Development Fund

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- ❑ Captive venture capital fund
- ❑ Founded in 1975
- ❑ Seeks to co-invest in early stage companies
- ❑ VC Fund investment spun off in 1997, but CTF still manages
- ❑ Has held equity in over 200 companies
- ❑ IT and life sciences investments

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# Current Portfolio

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ELIXIR  
PHARMACEUTICALS



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Cellicon Biotechnologies



# Prior Investments



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# Fundraising in 2005

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- ❑ Number of funds making any investments has dropped 40% since the bubble popped
- ❑ Number of firms making new investments has dropped 55% to 608
- ❑ Number of firms making more than 4 new deals per year in 2005 = 210
- ❑ ~17% of capital goes to early stage
- ❑ Few VCs likely to invest in an early stage company

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## Other GP issues

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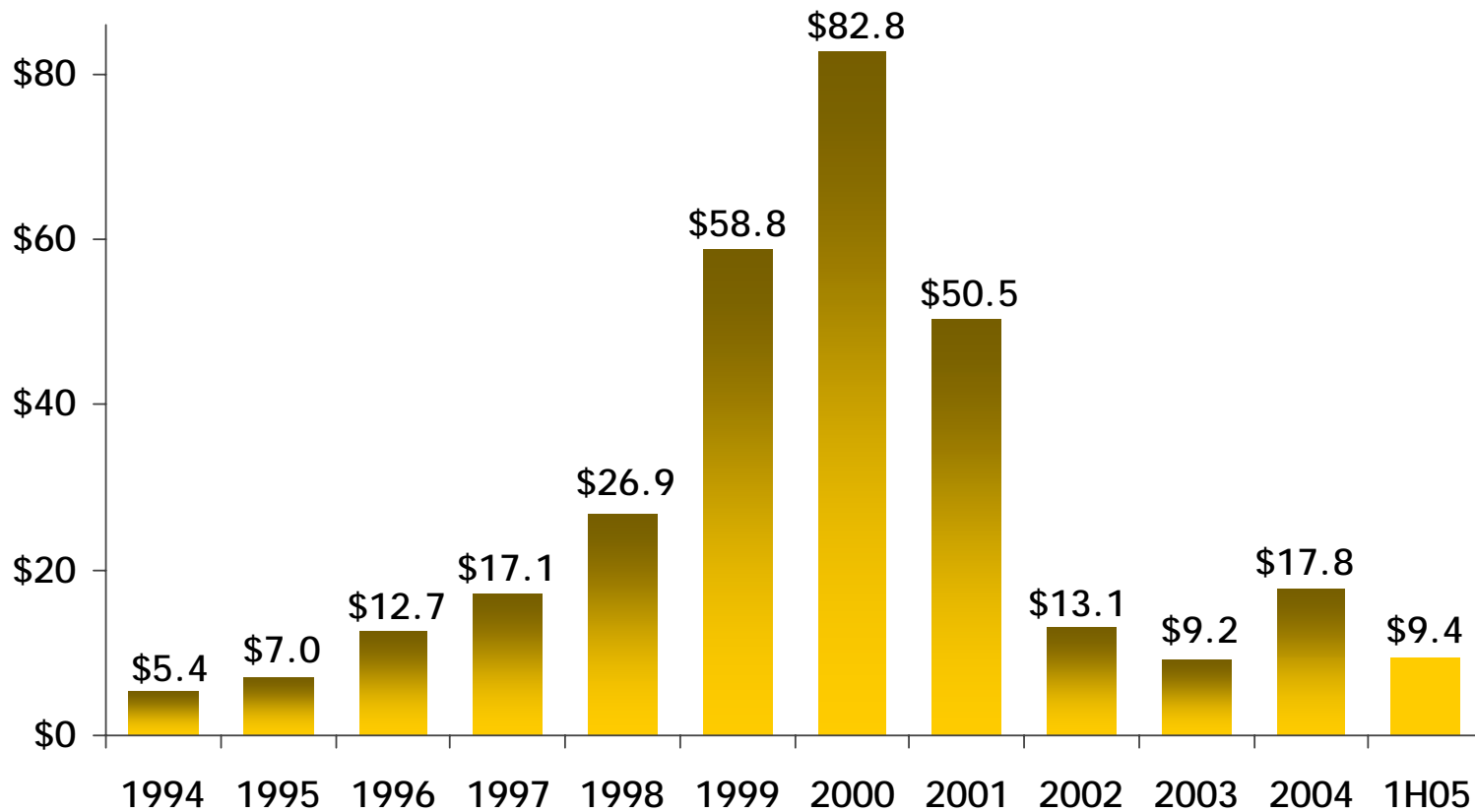
- ❑ GPs have to fundraise too
- ❑ Generational transition
- ❑ Large funds = large fees
- ❑ Clawbacks

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# VC Fundraising in 2005

*Commitments to Venture Capital Funds*



Source: Dow Jones VentureOne/Ernst & Young

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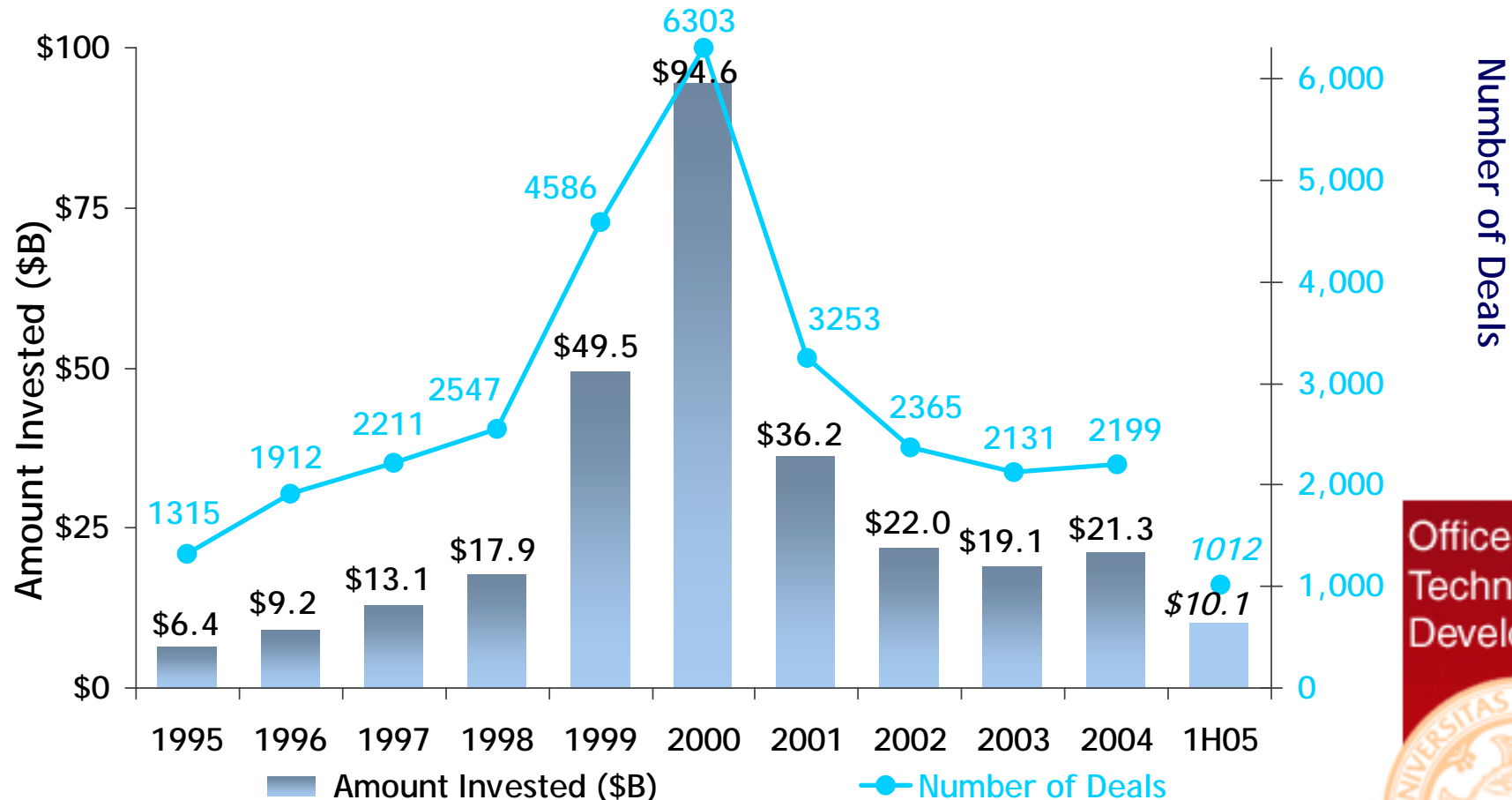


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# Deal Flow and Investment in 2005

*About the same as the past 3 years*



Source: Dow Jones VentureOne/Ernst &Young

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# How to get to a Series A

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## ☐ Biotech example

- ☐ Use drug discovery platform as a service to generate cash
- ☐ Get SBIRs (beware strategy dilution)
- ☐ Corporate partnership
- ☐ Inlicense complementary later stage compound

## ☐ Web Application example

- ☐ Bootstrap
- ☐ Generate revenue
- ☐ Prepare for a long process

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# How to get a VC's attention

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- ☐ Each GP does 1 or 2 deals per year out of hundreds submitted
- ☐ Revenue (best source of funding)
- ☐ Partners
- ☐ Capital efficiency
- ☐ World class team
- ☐ Personal referral
- ☐ Persistence
- ☐ Positive progress

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# Outlook for 2006

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- ☐ IPO market?
- ☐ More fresh capital should be available
- ☐ New technologies and industries always emerge
- ☐ A return to early stage

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## Contact information

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